

Message Text

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ACTION STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 /105 W
-----126023 061526Z /43

P 061503Z MAR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 6816

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USMTN

STR FOR ACTION

STR PASS CODEL

E.O. 11652: N/A
TAGS: MTN, ETRD
SUBJECT: SUBSIDIES/COUNTERVAILING - EC PAPER

1. THIS MORNING WE RECEIVED THE FOLLOWING PAPER FROM
EC (ABBOTT):

SUBSIDIES AND COUNTERVAILING (INDUSTRIAL PRODUCTS):
PROCEDURES AVAILABLE (TWO-TRACK APPROACH)

I. REQUESTS FOR EXAMINATION OF AN ALLEGED SUBSIDY,
PRINCIPALLY WITH A VIEW TO ITS MODIFICATION OR ELIMINATION
(ARTICLE XVI "TRACK") (APPROPRIATE PROVISIONS WILL HAVE
TO BE MADE FOR AN IMPROVED NOTIFICATION BEGIN BRACKETS
AND EXPLANATION END BRACKETS PROCEDURE ON REQUEST
(ARTICLE XVI, (1), FIRST PHRASE).

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STEPS:

1. COMPLAINTS (COMPLAINT TO CONTAIN BASIC MINIMUM OF
INFORMATION TO BE DEFINED) AND NOTIFICATION OF A REQUEST
FOR CONSULTATIONS ON BASIS OF DOSSIER (DOSSIER TO CONTAIN
BASIC MINIMUM OF INFORMATION TO BE DEFINED).

2. BILATERAL CONSULTATIONS WITHIN BEGIN BRACKETS 30
END BRACKETS DAYS.

3. FAILING MUTUALLY ACCEPTABLE AGREEMENT, POSSIBILITY FOR
EITHER PARTY TO REFER MATTER TO INTERNATIONAL CONCILIATION
BODY (CAREFUL ATTENTION WILL NEED TO BE GIVEN TO THE
STRUCTURE, COMPOSITION, CHAIRMANSHIP AND COMPETENCE OF
THIS BODY) ESTABLISHED WITHIN THE FRAMEWORK OF THE GATT.

4. FAILING CONCILIATION OF DISPUTE, POSSIBILITY OF
REFERENCE TO CONTRACTING PARTIES FOR FINAL DECISION.

II. PROCEDURES TO BE FOLLOWED IN CASES WHERE COUNTER-
VAILING ACTION IS ENVISAGED UPON PROOF OF EXISTENCE OF
A SUBSIDY AND MATERIAL INJURY (ARTICLE VI "TRACK")

STEPS:

1. COMPLAINT BY INDUSTRY CONTAINING SUFFICIENT EVIDENCE
OF SUBSIDY AND MATERIAL INJURY.

2. VERIFICATION OF DOSSIER BY GOVERNMENT BEING AN
EVALUATION OF EVIDENCE PROVIDED BY INDUSTRY IN ORDER
TO ASCERTAIN WHETHER OR NOT MATERIAL INJURY EXISTS;
PUBLICATION OF INITIATION OF PROCEDURE AND NOTICE TO
IMPORTERS; REQUEST FOR CONSULTATIONS BY IMPORTING COUNTRY
(MUST BE BASED ON EVIDENCE ESTABLISHING PROOF OF MATERIAL
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INJURY AND CAUSALITY).

3. BILATERAL CONSULTATIONS AIMED AT ARRIVING, WITHIN
BEGIN BRACKETS 30 END BRACKETS DAYS OF THE REQUEST FOR
CONSULTATIONS, AT A MUTUALLY AGREED SOLUTION TO THE
PROBLEM.

4. FAILING AGREEMENT, REFERENCE TO INTERNATIONAL BODY
FOR EXAMINATION OF EXISTENCE OF SUBSIDY AND MATERIAL
INJURY (IN ANY EVENT, PROVISION MUST BE MADE FOR INTERIM
COUNTERING MEASURES, PENDING A DEFINITIVE CONCILIATION
OF DIFFERENCES OR A RULING BY THE CONTRACTING PARTIES,
ACTING UNDER ARTICLE XXIII (A)); POSSIBLE RECOMMENDATION
WITH BEGIN BRACKETS 30 END BRACKETS DAYS. IN EVENT OF
RECOMMENDATION (A) AGAINST SUBSIDIZING COUNTRY, COUNTER-
VAILING MEASURE MAY BE TAKEN (SUFFICIENT TIME MUST BE
ALLOWED TO THE EXPORTING COUNTRY TO REVISE ITS POSITION);
POSSIBLE APPEAL TO CONTRACTING PARTIES (ARTICLE XXIII)
OR (B) AGAINST PARTY SEEKING TO COUNTERVAIL, LATTER MAY
APPEAL AS UNDER (A) ABOVE (IN ANY EVENT, PROVISION MUST
BE MADE FOR INTERIM COUNTERING MEASURES, PENDING A
DEFINITIVE CONCILIATION OF DIFFERENCES OR A RULING BY
THE CONTRACTING PARTIES, ACTING UNDER ARTICLE XXIII (A)).

2. DRAFTED BY NEWKIRK. CULBERT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPERS, INDUSTRY, TEXT, SUBSIDIES, COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA03465
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780100-0864
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803104/aaaadjxm.tel
Line Count: 118
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d837f8b7-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3110039
Secure: OPEN
Status: NATIVE
Subject: SUBSIDIES/COUNTERVAILING - EC PAPER
TAGS: ETRD, MTN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d837f8b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014